



November 21, 2007

Hon. Steven W. Williams, Secretary  
Postal Regulatory Commission  
901 New York Avenue NW, Suite 200  
Washington, D.C. 20268-0001

Dear Mr. Williams:

Pursuant to the Postal Accountability and Enhancement Act, the Postal Service is filing with the Commission an original and two copies of the following:

Current Report 8-K "containing the information prescribed in Form 8-K of the Securities and Exchange Commission." 39 U.S.C. § 3654(a)(1)(C).

We have also enclosed a disk with a machine-readable version of this report.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Cooper".

Richard Cooper  
Chief Counsel, Marketing & Finance Law

Enclosures

cc: Ms. Taylor

**POSTAL REGULATORY COMMISSION**

**901 New York Avenue, NW  
Suite 200  
Washington, D.C. 20268-0001**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant To Section 13 or 15(d) of  
The Securities Exchange Act of 1934  
and Section 3654 of  
The Postal Accountability and Enhancement Act of 2006**

Date of Report (Date of earliest event reported): November 15, 2007

**United States Postal Service**

(Exact name of registrant as specified in its charter)

**n/a**  
(State or other jurisdiction of incorporation  
or organization)

**n/a**  
(Commission File Number)

**41-076000**  
(I.R.S. Employer Identification No.)

**474 L'Enfant Plaza, SW  
Washington, D.C.**  
(Address of principal executive offices)

**20260**  
(Zip Code)

**202-268-2000**  
(Registrant's telephone number, including area code)

**n/a**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Item 2.02 Results of Operations and Financial Condition

Pertinent text of a press release issued by the Postal Service on November 15, 2007 regarding financial results for the fiscal year ended September 30, 2007 is attached as Exhibit 99.1.

### (c) Exhibits

Exhibit 99.1 Pertinent text of a press release issued on November 15, 2007 regarding financial results for the fiscal year ended September 30, 2007.

## Signatures

Pursuant to the requirements of the Postal Accountability and Enhancement Act of 2006, the Postal Service has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

United States Postal Service  
(Registrant)

By: Lynn Malcolm  
(Signature)  
Lynn Malcolm  
Vice President, Controller

Date: November 20, 2007

## Exhibit 99.1

On November 15, 2007 the Postal Service disseminated a press release including the following statements with respect to the financial results for the fiscal year ended September 30, 2007:

The Postal Service ... announced its financial results for Fiscal Year 2007, which ended September 30. The Postal Service concluded the fiscal year with a \$5.1 billion net loss, attributable to mandatory funding requirements in the Postal Act of 2006 (see chart). The year-end loss is about \$300 million less than projected earlier in the year.

"It's important to note that we not only achieved our plan, which had to be adjusted to reflect the new law, but we overcame a slow start and did better than our mid-year projection," said [Postmaster General John E.] Potter. Without the financial impacts of the law, the Postal Service would have ended the year with net income of \$1.6 billion.

Total revenue in FY 2007 was \$74.9 billion and expenses totaled approximately \$80 billion. Mail volume was 212 billion pieces.

The Postal Service recorded an eighth consecutive year of productivity growth in fiscal 2007. Total Factor Productivity, which measures the relationship between workload and resource usage, was up 1.7 percent over FY 2006. Productivity was aided by a reduction of 36 million work hours, which is equivalent to \$1.2 billion.

### USPS FINANCES UNDER POSTAL ACT OF 2006

	FY 2007
Income before legislative impacts	+ \$1.6
PL 109-435 impacts:	
▪ 2006 escrow transferred into PSRHBF	- \$3.0
▪ 2007 PSRHBF expense	- \$5.4
▪ CSRS savings	+ \$1.6
Net loss *	- \$5.1
(\$ in billions)	

\* Numbers may not add due to rounding

### Summary:

Income before the effects of the new law in FY 2007 totaled \$1.6 billion. The Postal Accountability and Enhancement Act of 2006 eliminated the escrow previously required under Public Law 108-18 and reduced USPS payments into the Civil Service Retirement System (CSRS). The \$3 billion in cash – that the Postal Service placed in a federally mandated escrow account in FY 2006 – was designated to fund retiree health benefits. Generally Accepted Accounting Principles (GAAP) dictate that the \$3 billion be reported as an expense in the quarter in which the law was enacted, which was the first quarter of 2007. For FY 2007, the new law mandated an additional \$5.4 billion to be placed in the newly created Postal Service Retiree Health Benefits Fund (PSRHBF) and eliminated \$1.6 billion in CSRS payments. The net loss was \$5.1 billion.